

DEPARTMENT OF STATE
WASHINGTON

7-1389

MAY 15 1955



Dear Mr. Dulles:

Thank you for the helpful comments contained in your letter dated June 6, 1955, addressed to the Secretary with respect to the intelligence program of the Department of State.

Undoubtedly you are aware that our appropriation requests in recent years have suffered substantial reductions. These reductions have had an impact not only on the Department's intelligence operation but on all other operations of the Department, both here and overseas, as well. Since resources have been limited, it has been necessary to allocate available funds in such a manner as to minimize the impact of reductions on the total responsibilities of the Department. I want to assure you that full consideration will continue to be given to the needs of the intelligence area in apportioning among our various programs the funds which become available for the fiscal year beginning next July first.

As contemplated by the revised procedure of the Bureau of the Budget with respect to preliminary estimates for the fiscal year beginning July 1, 1956, the Department already has forecast to the Bureau its fund requirements based on anticipated needs. For the intelligence operation, these preliminary estimates contemplate an increase of approximately one-third in the staff of the intelligence organization which is financed with funds appropriated to the Department of State. Provided the Bureau of the Budget and the Congress will concur in the Department's recommendations in this respect, there should be sufficient staff authorized to meet more effectively the demands for intelligence. In this regard, you may wish to convey to the Bureau of the Budget your feelings on strengthening the Department's intelligence program, including the intelligence collection function of the Foreign Service.

Sincerely yours,

For the Secretary of State:

Loy W. Henderson
Deputy Under Secretary
for Administration

The Honorable

Allen W. Dulles, Director,

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Central Intelligence Agency